

Minutes Of The Board Of Trustees
City Of Cincinnati
Retirement System
March 4, 2004

The Chairperson called the meeting to order at 1:30 p.m. with the following members present:

V. Daniel Radford, Chairperson
Valerie Lemmie, City Manager
William Moller, Secretary
Brian Pickering
Ely Ryder
Edwin Volpe
John Bowling
Michael Rachford
John Cranley Proxy, Elliott Luther

Members Absent

Joe Harrison
Charlie Luken, Mayor

Mr. Radford called for a motion to approve the minutes of the February 5, 2004 Board Meeting. The motion was made by Mr. Rachford, seconded by Mr. Moller and carried by the Board. The minutes were approved as prepared by the Secretary.

BENEFITS COMMITTEE

Mr. Pickering reported that the Benefits Committee met on February 27, 2004 at 1:30 p.m. in Committee Room B.

Mr. Pickering gave the following report.

1. Application for Ordinary Retirement March 1, 2004: Total – 13

No.	NAME	DEPARTMENT
30857	Diane Henschen	Health
38940	James Eberhardt	MSD
39640	Mariam VanDeRyt	Finance
39973	Wayne Weaver	Public Services
40481	David Davignon	Law
40508	Jeanne Kochanowski	University Hospital
40519	Paula Harrison	Finance
40558	David Barrett	Finance
40574	Jana Kincaid	Parks
40579	Lynne Wells	Public Services
43126	C. Thomas Oerther	Water Works
45013	Michael Kinsler	MSD
51496	Timothy Johnson	MSD

2. Application for Retired Members Deaths: Total – 9

3. Application for Ordinary Death Benefits: Total – 3

NO.	NAME	DEPARTMENT
47645	Christina Detkas	Human Resources
48556	Kimberly Stiles	MSD
31271	Scott Knabe	Finance

Mr. Pickering moved that the Board accept the report of the Benefits Committee. The motion was seconded by Mr. Rachford and carried by the Board.

INVESTMENT COMMITTEE

Mr. Moller reported that the Committee met with Mr. Woody Uible, Portfolio Manager at Bartlett & Company, at their February 6, 2004 meeting. Mr. Moller commented that Bartlett had a period of poor performance in the late 1990's, but has performed well in recent years. Mr. Moller commented that the presentation was brief but well received by the Committee.

Mr. Moller also reported that the Investment Consultant presented the investment performance report for the 4th quarter of 2004. For the quarter, the total fund return was 8.59%, which is 44 basis points below the Cincinnati benchmark that returned 9.03% for the same time period. For the year 2003, absolute performance was very good as the total fund returned 21.98%. However, the fund under-performed the Cincinnati benchmark by 86 basis points (21.98% vs. 22.84%).

Mr. Volpe questioned the use of a Cincinnati benchmark as no managers are compared to this benchmark and none of the active equity managers have the Russell 3000 index as their benchmark. The staff responded that this benchmark is not used to evaluate the performance of individual managers, but rather to monitor the performance of the fund's

overall investment strategy against a benchmark with a similar asset allocation. Individual manager performance is evaluated against their style specific benchmark, while the aggregate fund performance is evaluated against the blended Cincinnati benchmark. Mr. Radford commented that he has some of the same concerns as Mr. Volpe and that he would like to have the Investment Consultant look at this to determine if there is a better benchmark to evaluate total fund performance.

Mr. Moller reported that the Committee agreed to leave Navellier and Deutsche Bank on the watch list due to poor performance. The Committee did agree that Oppenheimer be removed from the watch list as their recent performance has been strong and the long-term performance is now within the guidelines of the manager evaluation policy.

SECRETARY'S REPORT

Mr. Moller reported that for the first two months of 2004, the asset level of the fund had increased by 1.05%, and was about 18% greater than one year ago. Mr. Moller reported that the portfolio had been rebalanced in late January and the actual asset allocation at the end of February for each asset class was in-line with the target asset allocation.

Mr. Moller commented on some informational issues for Board Members to consider for maintaining the financial health of the Retirement System. These items will be open for discussion at the next meeting.

The Secretary submitted the following report:

1. Resolution for Enrollment of New Members – Total: 32
2. Resolution for Return of Contributions & Death Benefits– Total: 42
Amount: \$239,191.67
3. Resolution for Loans to Members – Total: 47 Amount: \$450,237.12
4. Report on Deaths of Pensioned Members – Total: 19
5. Report on Military Service Credit prior to Membership – Total: 6

The Secretary submitted the following vouchers for payment:

PAYEE	AMOUNT
Levi Ray & Shoup Inc. – Professional Services Rendered	\$1,050.00
Paul T. Hogle MD – Medical Disability Exams	\$1,375.00
International Foundation Conference – Registration fee Brian Pickering to attend conference March 30-April 2, 2004	\$775.00
ABS Business Products Inc. – Monthly rental base rate for copier	\$238.50
All Star Personnel Inc. – Temporary Personnel Services	\$644.13
City of Cincinnati Printing Services – Services for the month of January 2004	\$1,975.04
City of Cincinnati Finance Accounts & Audits – Cinsy Billing for 2 nd 3 rd & 4 th Quarters 2003	\$185,797.92
City of Cincinnati Stores – Billing for the month of January 2004	\$406.85
Mae Consulting Inc. – Professional Services Rendered	\$580.00
All Star Personnel Inc. – Temporary Personnel Services	\$1,288.26

Squire Sanders & Dempsey LLP – Professional Services Rendered	166.13
Northern Trust – Custody Services	\$2,323.00
City of Cincinnati Communications Technology Services – For Telephone Services for January 2004	357.00
City of Cincinnati Finance Accounts & Audits – Reimbursement to General Fund for David H. Barrett for services during 2003	\$35,000.00
All Star Personnel Services Inc. – Temporary Personnel Services	\$214.71
Business Information Solutions Inc. – Storage of CRS files	\$132.56
International Foundation Conference – Registration for CAPPP (Part II) for Brian Pickering	\$775.00

The Secretary reported that at the close of business February 29, 2004, there was in the Treasury to the credit of the Retirement System the amount of \$3,945,67.13.

Asset Valuation:

- December 31, 2003: \$2.29 billion
- January 31, 2004: \$2.31 billion
- YTD Increase (Decrease): 1.05%

Current Asset Allocation: (Policy Objective)

- Domestic Equity: 52.3% (50%)
- International: 13.6% (13.5%)
- Fixed Income: 33.3% (33.5%)
- Alternative Assets/Treasury Cash: 0.8% (3%)

PENDING BUSINESS

The retirement staff reported that they will make contact with ASFCME and other groups regarding Corporate Governance. Staff also indicated that Cindy Richson, is the contact person at PERS.

Mr. Ryder indicated that the Board should obtain a legal opinion from the Law Dept. on Disability Retirement, as there are approximately 200 individuals that retired on disability. Mr. Ryder also stated that the Benefits Committee is in the process of drafting a letter regarding disability applicants who are capable of performing only a portion of their duties. Some discussion evolved on this issue regarding Policy Procedures and the Return to Work Program.

NEW BUSINESS

A motion was made by Mr. Pickering to include strategies for customer service procedures for the Retirement System. The motion was seconded by Mr. Ryder, but requested by the Chairman to hold for deferral for 1 month upon review of the Board.

ADJOURNMENT

Upon request of the Chairman's motion to adjourn, a motion was made by Ms. Lemmie, seconded by Mr. Moller and carried by the Board. The meeting adjourned at 2:30 p.m.